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INTELLIGENCE REPORT

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COUNTRY Indochina - China

SUBJECT Activities of the QDD (Nationalist Front) and Counter Activities by the Viet Minh

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SUPPLEMENT

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In May 1947 a Nationalist Front official made the following statement: "The Viet Minh, because of its partisan and treacherous policy, obliged VU hong Khanh to resist the HO chi Minh Government. He therefore retired to the provinces of Northern Tonkin at the head of his army. Here he fought the French troops, while at the same time being forced to ward off Viet Minh attacks. He is at present (May 1947) at Phong Tho (103-22, 22-37) making war against the French in the provinces of Lao Kay and Laichau. (See paragraph 7). He continues to be the soul and the symbol of the resistance of Nationalist troops against French oppression." It must be borne in mind that the principal value of the Nationalist Front "troops" is for propaganda purposes and that the above version is strongly colored by this consideration. See below).

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- 8-5 1. Defeats in battle, casualties, desertions and inefficient leadership ultimately reduced Khanh's force to a few hundred men, nearly all of whom eventually fled across the border into Yunnan. Since June 1947 Khanh has been attempting to reinforce his strength by recruiting Chinese.

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- 8-3 2. On the Chinese side of the Tonkin frontier, roughly between 103 and 105 degrees longitude, there is a large number of Chinese who formerly belonged to General LU Han's army. These Chinese were with Lu Han's army when it formed the backbone of the Chinese Occupation Forces sent to Tonkin in September 1945 to disarm the Japanese. The

officers and men of this army profitted enormously during the occupation by means of graft, pillage and purchase of property with overvalued occupation currency. When the task of disarming the Japanese was completed, Generalissimo CHIANG, desiring to detach LU Han from his troops, ordered LU Han's forces sent to North China. A number of officers and men of LU Han's army--particularly those whose homes were in Southern Yunnan--revolted and deserted with their arms. Most of those who revolted went back to their villages and took up peaceful pursuits such as farming; not many of them resorted to banditry. But they still individually retained their arms which they placed in hiding. Because of the personality and influence of their immediate leader, Colonel WAN (萬 fnu), these deserters still retain a loose solidarity and might be easily reconverted into a military force. It is difficult to estimate their total number. There are possibly as many as 100,000 men; 70% of them retain their arms--40% of these arms are of American manufacture, mostly rifles, carbines and sub-machine guns and an unknown number of Browning .30 calibre light machine guns; the remainder of the arms retained are Japanese, French and old Russian guns. It is likely that LU Han connived in, if he did not actually encourage, the desertion of these troops from his army being sent to North China; he may have hoped that these deserters would constitute a potential nucleus for an army for his self in the future, should he decide to resume his career as a warlord. No information is available regarding LU Han's present relationship if any with these troops and their leaders. The greater part of these ex-troops are controlled by Colonel WAN and his brothers and cousins. Colonel WAN comes from an influential border family; he is rather pro-Viet Minh but he is not a Communist. It is possible that he is sympathetic with the Democratic League as evidenced by the fact that it was through a journalist affiliated with the Democratic League that an introduction to him was arranged for NGUYEN Hung, Chief of the Viet Minh Kunming Detachment. Colonel WAN, at present in Pachai (103-48, 23-04), is considering reconstituting all or part of his forces. He feels that his greatest handicap is lack of capable officers. He is not worried about any possible interference by the Central Government as the mountainous terrain of the area and the general state of the civil war in China afford him adequate protection.

- B-3 3. In the spring of 1947 VU hong Khanh made an unsuccessful attempt to recruit the assistance of Colonel WAN and his men.

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- T-3 4. In addition to the former troops of Colonel WAN, and quite distinct from them, are the Chinese bandits on the Chinese side of the frontier. There are practically no Chinese bandits on the Indochina side of the frontier. These Chinese bandits on the Chinese side of the frontier exist in considerable numbers, some of them are ex-soldiers; many of them are well-armed with weapons which they retained when deserting or with weapons which they have bought or stolen. These bandits are quite free from political conviction and, so far as is known, there has been no serious attempt by Chinese Communists to infiltrate their ranks.
5. In the spring of 1947 VU hong Khanh, finding his own forces reduced to about 250 men and having failed to recruit the ex-troops of Colonel WAN, sought recruits from among these bandits.

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- 1-3 6. This activity on the part of Khanh caused some concern to NGUYEN Hung, Chief of the Viet Minh Kunming Detachment who is charged with reporting and so far as possible neutralizing the QDD activities in Yunnan. Hung therefore sought and obtained an introduction to Colonel WAN through a Chinese journalist (see paragraph 2). Hung proposed that WAN should reassemble a sufficient number of his former troops to neutralize any successes that Khanh might achieve with his Chinese irregulars. As WAN's men are superior in ability and training to Khanh's men, it was deemed sufficient if WAN assembled only about a third or a half of the number which Khanh would eventually raise. WAN agreed to this proposition provided that the Viet Minh would furnish ammunition and food to his men, that the Viet Minh would treat his men on the same basis as Viet Minh soldiers and that the Viet Minh would treat the Chinese civilian population on both sides of the border with consideration. The exclusive purpose of reorganizing WAN's units was to neutralize Khanh's activities along the border--it was not Hung's intention to raise a force from this source to fight the French in other parts of Indochina. During the interview with Hung, WAN added that he was much interested in trying to find out what Khanh was up to and assured Hung that if the Viet Minh were forced to retreat from Tonkin across the border the Viet Minh would be welcome in the territories which WAN controls.

- F-3 7. Meanwhile, however, VU hong Khanh had succeeded in recruiting about 300 men from the Chinese bandits under the leadership of 10 bandit chiefs. Theoretically the purpose of raising this force was to conduct guerrilla attacks against the French while warding off Viet Minh attacks; but the true purpose was to engage in banditry for Khanh's personal profit. Khanh was at that time at a place in Yunnan about 70 kilometers north of Lao Kay (103-56, 22-30). He tried to cross the border and attack Lao Kay, but was prevented from doing so by some of the former troops of Colonel WAN which had been recruited by NGUYEN Hung to work for the Viet Minh. Shortly afterwards the bandits got rather out of hand and proceeded to loot a Chinese village and rape the women. This was not in accord with Khanh's plan as he had intended to begin with an appearance of discipline (propaganda for the "Army of the Nationalist Front"), particularly as long as he remained on the Chinese side of the frontier. In order to show his authority, therefore, he executed two of the bandit chiefs. This greatly incensed the other eight chiefs. Shortly after that Khanh went to Kunming to conduct certain other activities (see below). He left Kunming about 20 June 1947 to return to the frontier. Upon arriving at the frontier he was taken into custody by the eight enraged bandit chiefs and no information is yet available regarding his fate.

- F-3 8. Meanwhile the QDD Headquarters in Kunming, under the direction of NGUYEN trong Bach (brother of NGUYEN trong Tan, leader of the QDD and Acting Secretary General of the Nationalist Front), had for months been financing the military operations of VU hong Khanh. Although these operations were supposedly anti-French, the French have been secretly contributing to their support in order to weaken their real mutual enemy the Viet Minh. Anti-QDD elements have long accused the QDD of having sold out to the French. This information is more specific and circumstantial than previous accusations;

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however no high evaluation can be given). The French Consul in Kunming was in the habit of sending sums of money secretly by messenger to Bach's Headquarters. One evening in late May 1947 the French Consul had given CMC\$110,000 to some messengers to deliver to Bach's headquarters. As the money was in small notes, it formed a bulky parcel. Inside the same parcel in a separate envelope was an additional sum of money which represented the payment to the messengers. The messengers stopped on the way in a restaurant and opened the parcel in order to take out their payment. While in the restaurant they were observed by agents of the Chinese Military BIS who were surprised and pleased to see so much money. These agents arrested the messengers and confiscated the money for themselves, not for the BIS. The messengers were released the next day. However, neither the French Consul nor Bach dared complain to the Chinese authorities as they did not want their relationship to be known. Since that time the French Consul has privately been employing members of the BIS itself to act as messengers to carry funds to the QDD.

25X1A6a [REDACTED] In May 1947 press reports stated that there had been so much activity by various Indochinese factions in trying to recruit officers and men in Yunnan that the Chinese Government was forced to take cognizance of the situation and forbid all Chinese officers in the area still on the active list to participate in any way in a revolutionary or factional conflict in other countries.

25X1X6 [REDACTED] indicated that this order was a result of French protests. [REDACTED] 25X1X6 however, who was even at that time convinced that the French were backing the Nationalist Front, believed that the Chinese Government had acted on its own initiative in promulgating the order as it was afraid that any substantial force so raised might later be used for "warlord" purposes against the Chinese Government. In any event, the Chinese Government's order was a pure formality, and received scant obedience).

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9. Since the promulgation of that order by the Chinese Government, the QDD activities have in fact increased. The QDD have been openly recruiting officers and soldiers in the Kunming area. It was partly in connection with these recruiting activities that Vu Hong Khanh came to Kunming in June 1947 (see above). The recruits were assembled in three or four houses on the outskirts of Kunming. As soon as 250 or 300 of them have been assembled, they are put on the train (not from Kunming station, but from a small station a few miles south of Kunming) and shipped to Mengtzu (103-20, 23-20) whence they are transferred to the frontier. They are being assembled at the rate of 250-300 every ten days or two weeks. By 25 June 1947 two such lots had been assembled and shipped south.

B-6 10. By the above methods the QDD hopes to recruit about 30,000 men to be divided into 2 divisions (Shanghai Note: This figure appears very exaggerated; however, see paragraph 13 below). The Commanding Officer of the 1st Division is a Chinese named CHU Te-shan (朱德山) (in Annamese: CHU due Son) who, on 15 June 1947, led 270 men to the border. The Commanding Officer of the 2nd Division is a Yunnanese named CHU Chiao-hsi (朱覺品?); he is a wealthy young man, the son of the woman who owns the Nanjing Cinema in Kunming. He is discontented with the attitude of both the Central Government and the Yunnan Provincial authorities and believes that the border regions offer handsome opportunities for future warlords. For this

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reason he has not hesitated to finance the project well. Both CHU Te-shan and CHU Chiao-hsi will be named Major Generals. The new army is to be named "Hung-Te" or in Annamese "Hong-Duc"---from the second syllable of the names VU hong Khanh and CHU Te-shan.

11. In May 1947 VU hong Khanh received verbal permission from the Chinese Nationalist Army Headquarters in Kunming to name CHU-Te-shan Commanding Officer of the 1st Division of the QDD Army. He also received verbal permission from the same authorities for him to move the recruits from the assembly point to the frontier and gave CHU Te-shan a note requesting the local authorities en route to let him pass and give him assistance if needed.

12. In recruiting these men in the Kunming area, an effort is made to get as many experienced soldiers, non-coms and officers as possible. A number of them were formerly engaged against the Japanese and have weapons obtained from the French and Americans during the war.

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13. It seems hardly likely that the QDD will succeed in assembling a sufficiently large force to be an important military factor. It may be that the principal purposes are (a) propaganda to give the appearance of possessing a large QDD army and (b) personal gain for VU hong Khanh. In this case the figure of 30,000 troops should not be taken seriously. On the other hand the tacit encouragement apparently given by LU Han to the movement as well as the rather curious position of the wealthy young CHU Chiao-hsi suggest the possibility that there is in fact something quite different at the base of the plot: that the QDD are merely being used as a disguise for the raising of an army which may later be intended to play a more important role in Yunnan itself. On the other hand, certainly NGUYEN Hung himself believes that the plot is exactly what it appears to be---a QDD military effort with the approval of the Chinese authorities. As such he takes it seriously but is confident of his ability to neutralize it through the use of Colonel TAN's men. It is interesting to note also that NGUYEN Hung has no doubt that the French are backing the QDD financially and that the QDD have specific plans to join the French in fighting the Viet Minh. Because of the difficulties of communication between Hung and the Viet Minh, Hung took advantage of an opportunity offered by a friend on 27 June in Kunming to take the report by air to Canton to deliver it to General MA Wei-yao, who would in turn arrange to have it delivered to NGUYEN due Thuy, at that time the Vietnam representative in Canton. For further information on MA Wei-yao

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